BUS

Procurement Strategic

Planning Document

May 1995

Los Alamos
NATIONAL LABORATORY
Los Alamos, New Mexico 87545

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About the Facilitation Team

This facilitated meeting was conducted by the facilitation team of Sharon Seitz, from CIC-12 and Vanessa A. De La Cruz from BUS-3. Sharon Seitz, the Facilitator, and Vanessa A. De La Cruz, the Design Analyst, received their training from Atlis Performance Resources, Inc.

Overview

Although the BUS Procurement Strategic Planning project will affect most of BUS Division, it is being spearheaded by BUS-7 Group Leader, Mike Payne and Debra Bilberry, also of BUS-7. This BUS-7 initiative will be used to determine the budget and set the vision for the Laboratory procurement systems. The BUS Division office supports this unified approach.

This project will begin with a two-day scoping meeting, May 4 and 5, 1995 to determine the vision, or direction, for procurement at the Laboratory for the next five years. A strategic plan will be developed to accomplish the vision, with specific phases and priorities. This vision and strategy will be used to determine the 1996 (Fiscal Year '96) goals and objectives with enough detail to determine their FY96 budget.

The two-day scoping meeting resulted in this BUS Procurement Strategic Planning Document which contains:

- Procurement systems vision for the next five years.
- Strategic plan to accomplish the vision.
- Cost/Benefits.

Project Overview

Debra Bilberry is the project manager assigned to ensure a unified project effort. The project team will consist of individuals from BUS Division to act as the point of contact for a specific group. The project team will also consist of customers. The team member will have decision-making authority. This will be a dynamic team in which members may come and go based on the work being done. Debra will contact each group by May 15, 1995 (see Action Item 1, p. 31) to determine the team members.

The BUS Procurement Strategic Planning participants identified the following project team members, to date, as:

Bruce Hanni	BUS-DO
Sarah Wright-Hoffman	BUS-1
Dave Delaney	BUS-5
Carol Smith	BUS-4
Jeff Butters	BUS-8/9

Debra Bilberry will ensure team participation from BUS-2 and BUS-6.

Note: Debra Bilberry will ensure the incorporation of the BUS-8/9 **Voice of Customer** exercise results.

Scope

The following are different business areas included within the scope of the BUS Procurement Strategic Planning project. No area of the procurement process will be excluded; therefore, everything from the initial idea of purchasing through final payment and closing is included.

- Purchase Request; requester requesting to buy something
- Sources; searching for vendors who meet requester requirement(s)
- Receiving
- Budget
- Distribution
- Asset Management (Property)
- Order Status
- Shipping
- Solicitations
- Audits
- Transportation
- Request Quotes
- Accounts Payable
- Query Tools
- Review Quotes
- Vendor Performance
- Electronic PRs, RFQs, POs
- Customer Communications
- Regulatory Compliance
- JCI/Other Interfaces
- Purchasing (Buyer Tools)
- Non-PO-related Orders
- JIT
- Credit Cards
- Vendor Interfaces
- LVA's (local vendor agreement)
- Inventory (STORES)
- Acquisition Planning
- Project Management
- Training

Background

Project Background

The following are problems identified with the current procurement process.

- Systems access limited - - not everyone can see. Data is inaccessible
- Interfaces (system and user) odious -- limiting
- Training (lack of)
- Antiquated technology (i.e. too much batch processing)
- System reliability problems
- Inconsistent (no standard look and feel) systems
- Connectivity problems
- Lack of funds control
- Procurement/Receiving process is manual
- Too much paper
- Too many controls
- Process (entire) problems -- outdated
- Security constraints
- Multiple platforms and not connected
- Lack of support (ideological) not technical; no buy-in; poor system image
- System does not handle the six types (Blankets, Task Orders, Subcontracts, Service Contracts, Construction, and Regular) of procurement/receiving processes
- Purchased packages don't meet Lab business needs
- Lack of documentation on the systems
- Lack of recovery/restore/contingency plans
- Unfriendly systems
- Labor-intensive systems and process
- System enhancements are difficult
- Restrictive policies
- Duplication of effort throughout the procurement process
- Reporting limitations
- Lack of contract administration tools/milestones
- Lab culture -- thinking we can't change our process to use existing software. We think we are ***so*** unique.
- Old methodologies
- Lack of unified system -- lack of Lab support for business systems
- Lack of tracking purchases (customers and buyers; incl. tracking funding and vendor performance)

Project Background (continued)

- Lack of acquisition planning
- Lack of employee tracking capabilities
- Poor employee skills (attitude and equipment)
- People are not computer literate
- Perception of lack of value added by the procurement process
- Lack of step-by-step guides for various procurement processes
- Lack of buying history (a good “source” list to assist with purchases)
- No automated review and approval process; internal but also invoices
- Untimely delivery of products
- Lack of different rules for different procedures
  (i.e. small orders handled like big -- is a problem)
- Delivery is made prior to data entry
  (e.g. Federal Express and same-day delivery)
- Unable to transmit electronic orders or pay electronic invoices
- Problem completing the lifecycle of a procurement (i.e. closing POs)
- Duplicate vendors in system
- Online catalog is perceived as unfriendly and cumbersome
- New systems take too long
- Lack of data integrity
- Lack of chemical receiving controls

Efforts Currently in Progress

The following is a list of efforts currently in progress to improve the procurement process. The BUS Procurement Strategic Planning Project Team must ensure good communication with these other efforts so that there is no duplication of labor.

- BUS-8/9 is currently doing a **Voice of the Customer** exercise.
- JIT CQI team
- Express Purchasing CQI
- Consultant Contracting CQI
- Major Subcontracts CQI
- Information Architecture
- Information Resource Management (Gail Hodyke)
- Electronic Commerce/Electronic Data Interchange (CIC-3)
- Outsourcing Functions
- Current Systems Enhancement Tasks and Efforts (including ACIS, FMIS, PAIRS, PAID, etc.)
- ATMS Team (Automated Transportation Management System)
- BUS Quality Council (database of BUS Process Improvement Initiatives)
- Systems Baseline Report June 1994
- BUS Business Plan
- BUS-5 Strategic Plan
- BUS-4 Strategic Plan
- DOE Electronic Commerce

Vision

Determining vision is an evolving and changing process. The BUS Procurement Strategic Planning Project Team will continue this process and alter the team members based on the mission or task at hand. Vision and strategy is a leadership role that helps produce change in products, marketing, finances, and management. The BUS Division vision is:

> In the year 2000, the Business Operations Division is widely recognized as an innovative and creative workforce, achieving a level of impact and performance which creates a clear, competitive advantage for the Laboratory.

The BUS Division purpose is:

> We enable our Laboratory to accomplish national goals by providing world-class, innovative business services through empowered people.

In order to determine a clear vision for the next five years, it is important to identify the procurement process customers, competitors, strengths, and weaknesses. Technology trends are also identified.

Customers

The following is a list of procurement customers, both internal and external. Also identified is the customers' view of the procurement products and services.

Customer?	What do they think of BUS services?
DOE	Exceeds expectations; Late Information; Mature, good system; unable to provide some reports; Next review will be customer-oriented
UC	LANL is the best of the pack
DOT	Received a noncompliance fine
Laboratory requester	Low satisfaction; Not cost effective; High importance; Slow, expensive, unfriendly, complicated
Vendors	Fulfill our cash obligation; cash cow; JIT happy; Extremely slow process
Project Managers	Very unhappy; Untimely information; Inaccurate information
Procurement Staff	See system as functionally impaired; Slaves to the system; System doesn't help them ; Not a lot of support; overridden for expedience
Accounts Payable	Process is broken; Process is outdated; Slaves to the system;
Budget Analysts	Correcting costs after fact; Costs allowed to empty program codes; Data Integrity Problem
Regulatory Compliance (incl. property, chemicals, health and safety, security, transportation)	Unable to get requirements into system and unable to change them later; Collection of purchasing data is not right kind; Unable to get data out for use; Need better working relationship with buyer
LA County	Untimely information; Want their fair share of the gross receipts tax
Congress	They are happy; LANL brings job into state
Small Business Administration	Happy. Want interfaces into their databases for source selection. Want more money; Want to know how to compete; Want opportunities for business; Notified of upcoming procurements
Northern NM Community	Want more money; Want to know how to compete; Want interfaces into their databases for source selection. Want opportunities for business.
Central Budget Office	Want procurement data summarized at obligational control levels; Better reporting capability.
BUS Division	Unfriendly. Slow; Unreliable systems, cumbersome. Lack of support (tech training, hardware). Incomplete or missing data
LLC	Expensive; Improving; Hear many complaints; See Project Manager

Customers (continued)

Customer?	What do they think of BUS services?
State of NM	Untimely. Inaccurate data. Unreliable gross receipts data. Lack of trust is a problem.
Rio Grande Minority Purchasing Council	Happy. Want interfaces into their databases for source selection. Want more money. Want to know how to compete. Want opportunities for business. Want to be notified of upcoming procurements.
Legal	Want accurate information. They are getting what they need.
JCI	Problems with data exchange between their systems and our systems. They think we want too much information from them. LANL is too slow.

Competitors

The following is a list of procurement competitors, both internal and external.

- Lab requesters who buy their own stuff outside LANL procurement process (i.e. Fed Ex to individual homes instead of LANL Receiving)
- Small Purchase Reimbursements
- LANL Outsourcing Team
- Other Maintenance and Operating Contractors (M&Os)
- DOE
- Internal Support Organizations

The following is a list of why competitors are succeeding more than the LANL Procurement process.

- Faster
- Less hassle - easier
- Perceived cheaper
- More fun
- Volume or threshold
- More reliable
- More friendly
- Rapport
- Fewer approvals

Strengths

What follows is a list of major BUS procurement strengths in this environment.

- Dedicated people to do the right thing
- Good benchmark data
- Innovative problem solving to get the job done
- Good equipment and resources available to us
- Experience (to know when there is room for innovation and not)
- Consolidated organization (all functions now reside together)
- Computer systems
- Quality mindsets
- Distributed service model (BUS-8/9 out in the field)

Weaknesses

What follows is a list of major BUS procurement weaknesses in this environment.

- People (a few poor performers; poor customer service attitude)
- Lack of education (how-to-do's)
- Cost
- Process
- Lack of discipline in process
- Lack of consistency
- Computer systems

Technology Trends

Future technology is important in setting the direction for the next five years. The following is a list of technology trends that will affect the future of the Laboratory Procurement process.

- Radio frequency
- Barcodes (two dimensional)
- Paperless
- World Wide Web
- Client/Server Applications
- Electronic Data Interchange (EDI)
- Electronic Funds Transfer (EFT)
- Purchase Cards
- ISO 9000
- Satellite Transmissions
- FACNET
- Office Automation
- Imaging
- Facsimile
- New Communications

Vision Categories

To make the process of identifying a clear vision and strategy easier, the participants identified three vision categories with subcategories identified only for the **Improved Computer Systems** category. The following are the categories and subcategories with an identifying code that will be used later. See Action Item 13, p. 32.

Code	Vision Category
C	Improved Computer Systems
P	Improved Process
W	Improved Workforce

Improved Computer Systems

Code	Vision Subcategory
1	Integration and Front End
2	Generate requirement that produces the Purchase Request
3	Solicitation Award Process that produces the Purchase Order
4	Contract Administration
5	Receiving (including Transportation, Distribution, and Property Management)
6	Payments
7	Close-out
8	Reporting

Vision

The following is the BUS Procurement vision. This is the future direction of BUS procurement and identifies the kind of organization BUS procurement aspires to create in the long-term. This vision satisfies desirability, that is, meet the needs of those who support the business or organization (e.g., customers and employees).

Every vision description has been grouped into one or more of the vision categories described earlier. The vision descriptions categorized into **Improved Computer Systems** also show the identified subcategory.

Vision Category	Vision Subcategory	Vision Description
P		• Fewer vendors; less vendor-based; qualified set of vendors
P		• Decentralized orders
P		• More blanket contracts
P		• Less oversight
P		• Less compliance requirements
P		• More commercial practices
P		• More requester partnerships
P		• Established delivery schedule to automatically ship a product to customers on a set schedule
P		• Condense delivery appointments
PW		• Smaller
PW		• More customer-focused
PW		• Happier employees
PW		• More vendor partnerships
PW		• More (computer) skilled (multi-tasked; generalists instead of specialists); more diverse workforce
W		• Fewer managers
W		• Self-directed teams
W		• Work at home, part-time workers, employees
W		• Accountability throughout LANL
W		• Better trained

♦

♦ Vision Categories
C=Improved Computer Systems; P=Improved Process; W=Improved Workforce;

Vision Subcategories for Improved Computer Systems
1=Integration and Front End; 2=Generate requirement that produces the Purchase Request; 3=Solicitation Award Process that produces the Purchase Order; 4=Contract Administration; 5=Receiving; 6=Payments; 7=Close-out; 8=Reporting

Vision (continued)

Vision Category	Vision Subcategory	Vision Description
C	1	• Paperless (include invoices and all)
C	1	• Automated
C	1	• Systems available Labwide
C	1	• Integrated systems -- eliminating duplicate data entry and the loss of data
C	1	• *Clear* online help
C	1	• Customer-customized screens for their specific work
C	1	• Telephonic recognition system for status of order with authorization
C	1	• No need for manual workarounds
CP	1	• No business with poor vendors
CP	1	• Less handling
CP	1	• One face, seamless look customer
CP	1	• Reliable information sources
CP	1	• Reduced cycle times -- more efficient
CP	1	• No duplicate data
CPW	1	• No need for a separate customer service center
CPW	1	• Faster, better, cheaper
CPW	1	• Happier customers; BUS appreciated
CPW	1	• Leader in technology and processes
CW	1	• No data entry section
CP	1	• Vendor qualification database
CP	1	• Past vendor performance database
CPW	1	• No non-value added steps in the process
CPW	1	• No bad data from anyone
C	2	• Online PR
C	2	• Online approvals
C	2	• Electronic matching of PRs to excess property and JIT

♦

♦ Vision Categories
C=Improved Computer Systems; P=Improved Process; W=Improved Workforce;

Vision Subcategories for Improved Computer Systems
1=Integration and Front End; 2=Generate requirement that produces the Purchase Request; 3=Solicitation Award Process that produces the Purchase Order; 4=Contract Administration; 5=Receiving; 6=Payments; 7=Close-out; 8=Reporting

Vision (continued)

Vision Category	Vision Subcategory	Vision Description
C	2	• Forecasting tools online
CP	2	• Procurement merged with project plans, available budget, and acquisition planning
CP	2	• Better funds process (i.e. money allocated more than one year at a time)
CPW	2	• No cost corrections necessary
CPW	2	• Upfront funds control
CP	2	• Customer-direct vendor ordering
C	3	• Procurement information available worldwide
C	3	• Electronic transmission of orders
C	1,2	• Source information online
C	3	• Electronic Bulletin board where vendors can come in and see what LANL's requirements are
C	4	• Electronic expediting
C	5	• No receiving data entry
C	5	• Automatically load, in order, the delivery trucks
C	2,3	• Online preparation of procurement packages (does not mean help with the system; it means help with the tool)
C	5	• Electronic distribution of MSDSs
C	5	• Electronic notification of receipt and delivery (allow for optional)
C	5	• Elimination of freight bill auditing (could be through use of ATMS)
CP	5	• Direct deliveries
CP	5	• Less warehouse handling
C	6	• Automated transfer of funds
C	6	• Automated vendor notification process (has it been paid, received, etc...)
C	8	• Ad hoc queries, reports -- dynamic
C	3,5	• Electronic notification of incoming shipments with barcodes already applied
CP	8	• Standardized reporting; Data available for any type of query; Consistent query results
CPW	3,5	• Better property tracking
CP	2,8	• Easy way to track and report regulatory requirements

♦

♦ Vision Categories
C=Improved Computer Systems; P=Improved Process; W=Improved Workforce;

Vision Subcategories for Improved Computer Systems
1=Integration and Front End; 2=Generate requirement that produces the Purchase Request; 3=Solicitation Award Process that produces the Purchase Order; 4=Contract Administration; 5=Receiving; 6=Payments; 7=Close-out; 8=Reporting

Strategy

The participants developed a strategy for producing the changes needed to achieve the defined vision. Initially, the future strengths of BUS procurement were identified to help determine what is critical to the BUS procurement mission. This strategy satisfies feasibility, that is, it is a sensible strategy for getting there, taking into account the competition, the BUS procurement strengths and weaknesses, and technology trends identified earlier.

Future Strengths

The participants identified the following strengths that BUS procurement would like to be known for in five years.

- Expedience
- Totally automated, integrated, and diverse
- Professional partnerships -- viewed as associates (as opposed to glorified clerks)
- Cost effective
- Competent
- Trustworthy
- Accountable
- Funds Control
- A true value-added resource, leading-edge, state-of-the-art
- Business leaders

Strategy

The following strategies resulted from the initial effort to strategize the BUS Procurement vision which included the three vision categories. However, the participants realized that a more effective use of the two-day session was to focus on the **Improved Computer Systems** category. This list will be used later when the BUS Procurement Strategic Planning Project Team strategizes the **Improved Process** and **Improved Workforce** categories.

- Culture change at LANL (change starts at the top); a change in how we do business; no longer spend money we don't have
- Procurement levels; stop point with each project; which requires an upfront plan. Take into account suspense of later procurements. See Action Item 3.
- Review current processes and cleanup to bring up to date
- Determine best commercial practice
- Reengineer procurement process; change current flowchart
- Vendor product research - how they do things, include chemical compliance
- Review current system capabilities to solve short-term problems
- Determine if there is an architecture that is robust enough to grow and expand with BUS's future needs
- Identify short-term fixes versus long-term goals and the cost-effectiveness of each
- PAID reality check, look to see if it can solve any problems short-term. See Action Item 12.
- Identify both ESH-17's timeframe and what they need; ESH-17 is working on an Air Quality project by tracking all chemicals at LANL; ESH-17 is also working on a project about radioactivity
- Labwide electronic PR system to verify everything (i.e. from funds, JIT, regulations, etc.) with value-added processes to move toward vision identified
- Negotiate appointments for delivery trucks
- Research and identify a mechanism for electronically transmitting barcodes to LANL prior to delivery
- Identify all customer needs to have a baseline to know what to support

Improved Computer Systems Strategies List

The following table consists of the strategies identified for each subcategory of the **Improved Computer Systems** vision category. The participants then identified what impact the strategy would have on meeting the vision (H = High; M = Medium; L = Low). The amount of effort and expense were also evaluated (3 = Great effort; 2 = Moderate effort; 1 = Little effort). The final column is used to describe any dependencies; that is, any prerequisites required before the identified strategy may be completed.

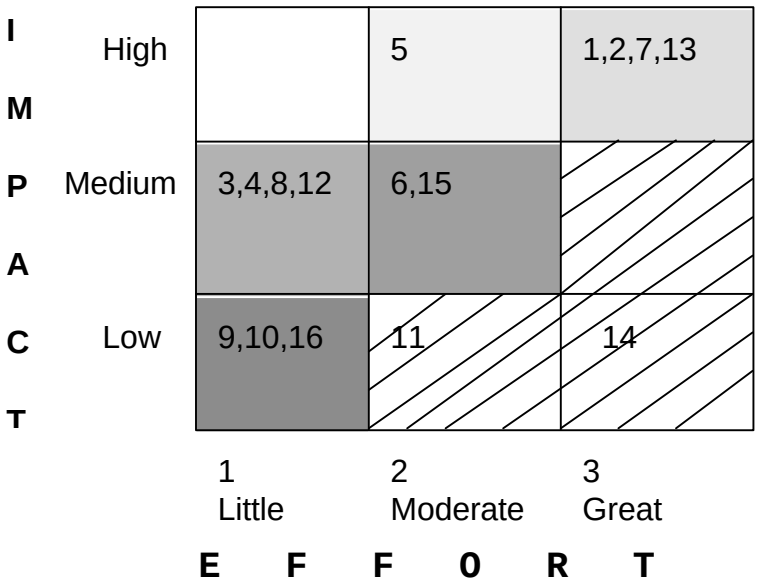
#	Strategy	Impact L,M,H	Effort 1,2,3	Dependency
1	(2) Online seamless PR system accessible by any LANL employee.	H	3	
2	(2) Develop a methodology to interface budget, finance, project management, compliance with the online PR system.	H	3	Req 1
3	(2) Develop online tools for the requester.	M	1	
4	(3) Develop capability to prepare and transmit solicitations, orders, and upcoming requirements and awards online and available worldwide.	M	1	
5	(3) Integrate office automation tools with the online procurement system.	H	2	Req 1, 13
6	(4) Develop automated contract administration tools (expedite, mods, milestones, cost overruns, etc.).	M	2	
7	(5) Collect and integrate property, transportation, distribution, and regulatory compliance with the online purchasing system (include JIT, etc).	H	3	Req. 1, 13
8	(5) Develop state-of-the-art technology for barcoding and distribution systems.	M	1	

Improved Computer Systems Strategies List (continued)

#	Strategy	Impact L,M,H	Effort 1,2,3	Dependency
9	(6) Provide automated capability for universal invoice status (e.g. vendors, requesters, buyers, etc.) - call up for information.	L	1	
10	(6) Automate capability of funds transfer.	L	1	
11	(7) Develop single integrated closeout tracking system.	L	2	
12	(8) Develop capability to generate individual and unique queries with consistent results.	M	1	
13	(1) Develop an integrated, seamless, paperless, automated procurement system with universal and Labwide access. Menu driven. Fast.	H	3	
14	(1) Develop online criteria for online vendor qualification and past performance measures.	L	3	
15	(1) Develop clear, concise, online help to assist with every aspect of the procurement processes.	M	2	
16	(1) Develop centralized resource for validations (i.e. funds control, authorizations, etc.), regulations, SOPs, online help, etc.	L	1	

Effort/Impact

The following grid shows the previous **Improved Computer Systems** strategies plotted based on the identified amount of impact and effort. The diagonal lined area reflects strategies that require more effort than the impact toward reaching the goal.



Improved Computer Systems Strategy Phases/Priorities

The participants split the Impact/Effort grid into three phases, or priorities, with the first phase generating the greatest return on effort. This first phase is where the FY96 Laboratory Integration and Prioritization System (LIPS) efforts will concentrate.

Phase One (FY96)

1) Online seamless PR system accessible by any LANL employee.

2) Develop a methodology to interface budget, finance, project management, compliance with the online PR system.

5) Integrate office automation tools with the online procurement system.

7) Collect and integrate property, transportation, distribution, and regulatory compliance with the online purchasing system (include JIT, etc.).

13) Develop an integrated, seamless, paperless, automated procurement system with universal and Labwide access. Menu driven. Fast.

3) Develop online tools for the requester.

4) Develop capability to prepare and transmit solicitations, orders, and upcoming requirements and awards online and available worldwide.

8) Develop state-of-the-art technology for barcoding and distribution systems.

12) Develop capability to generate individual and unique queries with consistent results.

Phase Two

6) Develop automated contract administration tools (expedite, mods, milestones, cost overruns, etc.).

9) Provide automated capability for universal invoice status (e.g. vendors, requesters, buyers, etc. call up for information).

10) Automate capability of funds transfer.

15) Develop clear, concise, online help to assist with every aspect of the procurement processes.

16) Develop centralized resource for validations (i.e. funds control, authorizations, etc.), regulations, SOPs, online help, etc.

Phase Three

11) Develop single integrated closeout tracking system.

14) Develop online criteria for online vendor qualification and past performance measures.

Laboratory Integration Prioritization System (LIPS)

The information displayed here will be used for the FY96 BUS Division Indirect Budget exercise based on Phase One priorities. See Action Items 6, 7, 8, 9, 10, 11.

LIPS High-Level Criteria	LIPS Impact	Improved Customer Systems Impact on LIPS
Health and Safety	Reduce health and safety risks	1) Online seamless PR system accessible by any LANL employee. 2) Develop a methodology to interface budget, finance, project management, compliance with the online PR system. 7) Collect and integrate property, transportation, distribution, and regulatory compliance with the online purchasing system (include JIT, etc.).
Security and Safeguards	Reduce security and safeguard risks	1) Online seamless PR system accessible by any LANL employee. 2) Develop a methodology to interface budget, finance, project management, compliance with the online PR system. 7) Collect and integrate property, transportation, distribution, and regulatory compliance with the online purchasing system (include JIT, etc.). 8) Develop state-of-the-art technology for barcoding and distribution systems.

Laboratory Integration Prioritization System (LIPS) (continued)

LIPS High-Level Criteria	LIPS Impact	Improved Customer Systems Impact on LIPS
Regulatory Compliance	Reduce regulatory violations	1) Online seamless PR system accessible by any LANL employee. 2) Develop a methodology to interface budget, finance, project management, compliance with the online PR system. 7) Collect and integrate property, transportation, distribution, and regulatory compliance with the online purchasing system (include JIT, etc.).
	- Likelihood of getting fined is high if LANL doesn't do it.	
Public Assessment	Public assessment (view)	2) Develop a methodology to interface budget, finance, project management, compliance with the online PR system. 4) Develop capability to prepare and transmit solicitations, orders, and upcoming requirements and awards online
	- Business w/Northern NM - If you don't budget, have RIFs and lose programs - To allow Northern NM vendors to hear about requests	
Strategic Positioning and Effective Use of Resources - Science and Technology Scope (Mission)	Attract and keep mission-related work	Action Items 6, 7

Laboratory Integration Prioritization System (LIPS) (continued)

LIPS High-Level Criteria	**LIPS Impact**	**Improved Customer Systems Impact on LIPS**
Strategic Positioning and Effective Use of Resources - Science and Technology Capabilities	Business and Financial Management	1) Online seamless PR system accessible by any LANL employee. 2) Develop a methodology to interface budget, finance, project management, compliance with the online PR system. 3) Develop online tools for the requester. 4) Develop capability to prepare and transmit solicitations, orders, and upcoming requirements and awards online and available worldwide. 5) Integrate office automation tools with the online procurement system. 7) Collect and integrate property, transportation, distribution, and regulatory compliance with the online purchasing system (include JIT, etc.). 8) Develop state-of-the-art technology for barcoding and distribution systems.

Laboratory Integration Prioritization System (LIPS) (continued)

LIPS High-Level Criteria	**LIPS Impact**	**Improved Customer Systems Impact on LIPS**
Strategic Positioning and Effective Use of Resources - Science and Technology Capabilities (continued)	Business and Financial Management (continued)	12) Develop capability to generate individual and unique queries with consistent results. 13) Develop an integrated, seamless, paperless, automated procurement system with universal and Labwide access. Menu driven. Fast.

- Reduce cycle time: 65,000 actions (JIT); 54,000 PO trans; 1/2 million packages; 340,000 JIT transactions
- Reduce solicitation effort: 2 hrs/PR to determine sources
- # of PRs that should have gone to JIT:
- Meet with Tim Tuttle to understand LIPS: what the numbers mean and apply stats to model; See Action Item 16.
- Correction costs (buyers, recodes, etc.):overrun reimbursables

Employee Ability and Efficiency

Other Cost Savings or Losses

Facilities and Equipment Management

Budget Call Team Meeting

Debra Bilberry will set up a Budget Call Team meeting to determine the words and strategy for the final LIPS model. The team members will analyze how to attack the LIPS model for the best budget results. Debra will contact all of the following Budget Call Team members about the meeting on May 15, 1995 at 3:30 p.m. in E228. The results are expected before close of business (COB) on May 15, 1995. See Action Items 6, 7, 8, 9, 10, 11, and 16.

Team Members

Debra Bilberry
Mike Payne
Dave Delaney
Jeff Butters
Betsy Janney (tentative)
Pat McDonnell
Terry Conner
Sarah Wright-Hoffman
Nancy Arendt
Carol Smith

Cost/Benefits

The following is a list of risks if BUS proceeds or fails to proceed with the Strategic Plan. These are the incentives and disincentives that may promote or reduce, respectively, support for the plan.

- Reduce fines and penalties
- Increase compliance
- Satisfy prime contract
- Reduce delays to Lab employees
- Decrease support costs
- Level of internal support decline if we don’t do this
- Reduce process cycle time
- Increase customer satisfaction
- Reduce requester time involved with procurement
- Reduce errors
- Increase productivity
- Improve competitiveness of LANL
- Improve LANL reputation

Critical Success Factors

The following is a list of what must happen for a successful Strategic Plan.

- Money
- Resources (programming, BUS all groups) Stay Involved
- Customer Involvement
- Policy and Procedure Changes
- Support from LLC
- Labwide Support
- Training
- Marketing
- Timeliness (published timeline w/deliverables along the way)

Assumptions/Issues/Constraints

The following are assumptions, issues, or constraints identified during the BUS Procurement Strategic Planning session.

- We need to stay sensitive to socio-economic goals and economic opportunities in Northern New Mexico.
- The system will be incredibly easier to use and save lots of money.
- Get a clear requirements list.

Action Items

The following action items were identified and assigned during the BUS Procurement Strategic Planning session. Resolution dates are shown to assist in keeping the project going.

Issue #	Issue Description	Assigned To	Resolution Date
1	Project Team members	Debra Bilberry	May 15
2 done	What is progress and conclusion on Cost Correction Memo CQI team? Result: The CQI team sees the need for someone with budget and LANL account code structure knowledge to review all PRs before going to the buyer. The first test of one division resulted in an 86% decrease of rework due to errors. The plan is to test two more divisions.	Debra Bilberry, Tracy Lattin	May 5 (COB)
3	How do we interface with Bruce Hanni and his project planning efforts? Result:	Betsy Janney, Dave Delaney	May 12
4 done	Call Bruce to meeting tomorrow. Result: Bruce could not make it.	Betsy Janney	May 4
5 done	Regulatory tracking --chemicals and radioactive	Doug Stavert	May 5
6 done	Names to quote for mission-related work criteria (LIPS)	Spencer Hill, Mike Payne, Sarah Hoffman	May 12
7 done	Get Motorola/LANL Survey regarding LIPS for mission related information	Dave Delaney	May 12
8 done	Estimate cycle times; gather stats for LIPS	Terry Conner, Spencer Hill, Dave Delaney	May 15
9 done	Arrange Budget Call Meeting with results prior to May 15. Result: see pg. 29. Budget Call Team Meeting details.	Debra Bilberry	May 9

Action Items (continued)

Issue #	Issue Description	Assigned To	Resolution Date
10 done	LIPS model to Debra	Vanessa De La Cruz	May 8
11	Gather Current Support Costs	Pat McDonnell, Marty Hughes, Ben Gurule	May 12
12	PAID reality check to see if it can solve any problems in the short term. Include Marty, Pat, Sarah, Nancy, Jeff, and Sue.	Marcia Elmore	May 31
13	Process and Workforce Strategic Planning Meeting -Involve Business Team Leaders -Incorporate BUS-4/5 plans	Debra Bilberry to call the BUS Procurement Strategic Planning session members	May 31
14 done	Set up a meeting to review the document resulting from this strategic planning meeting	Debra Bilberry	May 15 3:30 p.m. Rm. E228
15	Develop marketing plan, to implement during LIPS process, involving Bill Barr (include low levels, tactical areas, LLC, etc.).	Sue Sebring, Terry Conner	May 19
16	Meet with Tim Tuttle to understand LIPS (see Strategy/LIPS Impacts).	Debra Bilberry, Budget Call Team Members	May 15

Participants

The following are the BUS Procurement Strategic Planning session participants and observers.

Name	Group	Role	Phone #	Mail Stop
Nancy Arendt	BUS-4	Participant	7-8640	P274
Debra Bilberry	BUS-7	Participant	5-1444	P274
Jeff Butters	BUS-9	Participant	7-5918	P915
Terry Conner	BUS-5	Participant	5-7891	P274
Dave Delaney	BUS-5	Participant	7-8583	P274
Debra Graves	BUS-4	Participant	5-9683	P274
Spencer Hill	BUS-8/9	Participant	5-6688	P274
Sarah Wright-Hoffman	BUS-1	Participant	7-3292	P240
Betsy Janney	BUS-2	Participant	5-8239	P292
Pat Meyers	BUS-4	Participant	5-9710	P274
Mike Payne	BUS-7	Participant	7-4751	P274
Sue Sebring	BUS-5	Participant	7-4052	P274
Carol Smith	BUS-4	Participant	7-4174	P274
Ann Batson	ESH-17	Participant	5-8880	J978
Bill Hargraves	ESH-5	Participant	7-2854	K499
Doug Stavert	ESH-17	Participant	5-0235	J978
Marcia Elmore	CIC-13	Observer	5-1435	P223
Ben Gurule	BUS-7	Observer	7-8296	P274
Marty Hughes	BUS-7	Observer	7-3614	P274
Pat McDonnell	BUS-7	Observer	7-6436	P274
Alan Van Vessem	BUS-7	Observer	7-8700	P274

Glossary

A

ACIS - Automated Chemical Inventory System
ATMS - Automated Transportation Management System

B

BUS - Business Operations Division

C

CQI - Continuous Quality Improvement

D

DOE - Department of Energy
DOT - Department of Transportation

E

EC - Electronic Commerce
EDI - Electronic Data Interchange
EFT - Electronic Funds Transfer

F

FACNET - Federal Acquisition Computer Network
FMIS - Financial Management Information System

G, H

I

ISO 9000- International Standardization Organization which provides quality standards to promote quality systems

L

LANL - Los Alamos National Laboratory
LA - Los Alamos
LIPS - Laboratory Integrated Prioritization System
LLC - Laboratory Leadership Council
LVA - Local Vendor Agreement

M

M&O - Maintenance & Operating Contractors
MSDS - Material Safety Data Sheets

N

NM - New Mexico

O

P

PAID - Purchasing, Accepting, Invoicing, and Disbursing System
PAIRS - Property Accounting Inventory Reporting System
PO - Purchase Order
PR - Purchase Request

Q

R

RFQ - Request for Quotation

S, T

SOPs - Standard Operating Procedures

J

JCI - Johnson Controls, Inc. a subcontractor to the Laboratory for craft services

JIT - Just-In-Time - contracts characterized by a high-purchase volume with a low-dollar value and quick delivery.

K

U

UC - University of California

V

W

WWW - World Wide Web

X,Y,Z